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MEMORANDUM FOR THE RECORD

A meeting with the House Appropriations Committee was held on Thursday, March 10, 1955, from 1:30 to 5:10 p.m.

Those Present:

Committee Members

Mr. Clarence Cannon (D) Missouri
Mr. George H. Mahon (D) Texas
Mr. Harry R. Sheppard (D) California
Mr. John Taber (R) New York
Mr. Richard B. Wigglesworth (R) Massachusetts

CIA Representatives

Mr. Allen W. Dulles, DCI
Gen. Charles P. Cabell, DDCI
Col. L. K. White, DD/S
Mr. Robert Amory, Jr., DD/I
Mr. Frank Wisner, DD/P
Mr. E. R. Saunders, Comptroller
Mr. C. N. Mason, Chief, Budget Division

Following is a list of major questions which were raised during the course of the hearings:

Mr. Cannon:

(In reference to newspaper articles which appeared on Tuesday, March 8, concerning the CIA building.) Who released information concerning CIA plans to construct a building? (Mr. Cannon expressed strongly his displeasure of finding a newspaper article giving particular details on the size of building and number of employees when the Agency reported such information as being particularly sensitive.)

On what basis and under what authority is CIA planning the building? (Mr. Cannon at first stated categorically that the Agency had not been given legislative authority to construct a building. Mr. Saunders identified this specific authority from a copy of the organic legislation.)

(Mr. Cannon observed that no report had been filed indicating the possibility of an attack by the North Koreans across the 38th Parallel prior to the offensive taken by the North Korean Army on July 25, 1950.) Why wasn't information concerning this possible offensive available to the top Government planning officials from CIA? (It was explained that intelligence estimates indicated a definite possibility of such an attack.) The Chairman requested that CIA present records later in the afternoon of such intelligence estimates to show the Committee what reports had been made concerning this situation. (Later, briefs of reports were read and shown to the Committee.)

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What are the functions of CIA?

Does CIA take positive action based upon information concerning Communism which is compiled from CIA sources or is all action carried out by other agencies based upon the information compiled by the Agency and without any direction from the Agency?

Does CIA have two separate forces in the field, one carrying out cold war activities and a completely separate one assigned to the responsibility of collecting intelligence?

In connection with cold war operations of CIA, who is responsible for issuing orders as to what will be done by the CIA staff in the field? Is anyone else (that is, outside of CIA) issuing orders in this general field to CIA field employees?

How many people are employed by CIA?

Does CIA have positive control over employees of cover organizations?
[REDACTED] How is such control exercised?

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How many people altogether are working for CIA, including agents, employees of cover organizations and all others?

How many of the people working for CIA are involved in the cold war operations? How many in intelligence operations?

How permanent is employment in CIA? Does CIA have permanent employees?

How many employees retire? Are there many who retire?

What steps does CIA take to terminate employees since CIA is not under the supervision of the Civil Service Commission?

Is the number of college graduates in CIA high in relation to the number of employees when compared to other Government agencies?

Is employment now at a peak?

What standards does CIA use in classifying employees or is employee classification in accordance with Civil Service grades?

How many employees does CIA have in each grade?

What is the comparative budget request for CIA operations?

Does CIA send people to special training schools at Government expense similar to the way Department of Defense does?

Could CIA predict any attack which might be launched by the USSR against the U.S.?

- 2 -

SECRET

SECRET

Would CIA have advance knowledge concerning the possible planning and launching of a large scale air attack by the USSR against the U.S.? Does CIA have penetration to assure that the intelligence we receive from other sources was, in fact, correct? Suppose the USSR launched an attack on one hundred (100) major cities in the U.S., could CIA assure that advanced knowledge of an attack of this magnitude would be known?

(In connection with the development of the above questions, considerable discussion revolved around the possibility of advance warning for various periods of time and the relative value of the type of warning which could be provided by the radar net protecting the U.S. as compared with the intelligence information which might be compiled and made available by CIA. Most of the members of the Committee participated and indicated concern in this general area.)

(Mr. Cannon observed that CIA has the most important function of any governmental agency in the Country in its responsibility for providing advance warning of any possible hostile acts by potential aggressors.)

How much of the reserve has been used in the last few years? How much money has been turned back to the Treasury?

(Mr. Cannon indicated that he was disappointed in CIA not spending more money than it had. He indicated that he was fearful that steps which might provide advance warning of possible hostile acts against the U.S. by potential aggressors might not have been taken even though funds had been available to do so. He further indicated that he felt it was the responsibility of the Agency to take every step possible to strengthen the assets which would assure us of early warning of possible offensive acts against this Country.)

Is CIA a static organization or is it continuing to improve its capabilities?

Is CIA spending as much money as it feels can be spent efficiently and effectively or could a better job be done if more funds were provided to the Agency?

Mr. Mahon:

(Mr. Mahon indicated that there was a growing restlessness concerning CIA in Congress and that many members were concerned about the activities of CIA. Mr. Cannon indicated that the other members of the Appropriations Committee would not be authorized to obtain information about the Agency. Mr. Mahon also indicated that he would like some personal confidence that CIA is cleaned up and that it is using its funds in an efficient and economical manner.)

How has CIA been checked or audited? Give some indication as to the method of going about this and indicate what the Mark Clark Committee has done in connection with the survey of CIA activities.

- 3 -

SECRET

SECRET

What is the biggest loss which the Agency has suffered as a result from malfeasance of Agency employees?

Has CIA ever prosecuted an employee for malfeasance?

What intelligence has the Agency received concerning the situation on Formosa?

What intelligence is available concerning the probability and timing of an attack on Formosa by the Chinese Communists?

What are the intelligence estimates of CIA as to whether an attack will be made on Formosa by the Chinese Communists within the next year?

Is the situation on Formosa deteriorating? What is the attitude of the Formosan population? Is the spirit of the Nationalist Troops on Formosa deteriorating? Can the Nationalists Troops on Formosa be considered an effective group in view of the fact that the average age of the Nationalist Army is increasing?

What has CIA found out about the atomic capabilities of the USSR? What is the probable size of the stock pile of atomic weapons in the hands of the USSR? What is the size and character of the atomic weapons which the USSR has been capable of developing? Does the USSR have the atomic capabilities comparable or equivalent to that of the U. S.?

Mr. Cannon:

Did CIA consider the possible damage to a CIA building if it were located at Langley in case of an "A" or "H" bomb dropping on D.C.?
(This question was followed by a general discussion on the responsibilities of advance warnings which is lodged against CIA and the possible technique of re-grouping and the reorganizing in case of an attack on D.C.)

Mr. Sheppard:

What has been the experience of the Agency in getting agents into Communist China? What are the relative difficulties of getting agents into Communist China as compared to USSR and to European satellites?

What success has been achieved in obtaining information based on infiltration of agents into Iron Curtain Countries?

Is CIA taking the view that agent operations are no longer a valuable technique for obtaining intelligence?

Did CIA have any intelligence concerning the recent change in the top leadership of the USSR? What was the character and type of such information?

Is information obtained through defectors reliable? How is it possible to test the reliability of information acquired from defectors?

- 4 -

SECRET

SECRET

(Mr. Sheppard discussed briefly the response to the questions raised by Mr. Mahon concerning the loss of employees due to malfeasance.) The Agency is certainly lucky if there had been no major losses in excess of those discussed earlier.

Mr. Taber:

What is the quantity and the quality of air power in the USSR? Does the USSR have airplanes of a caliber comparable to those in use in the U.S.?

What is the approximate number of airplanes in the USSR Air Force by each class or type of planes?

In what part of Russia is the USSR Air Force located? Is it in the European area, along the Northern Frontier, or in Eastern Siberia? Is there any indication that the disposition of USSR air power is planned for offensive purposes?

Is there any USSR air craft in China?

How big is the Chinese Communists' Air Force?

What is the general quality of the air craft in the Communist China Air Force? How many of the planes are modern, up-to-date ones and how many are of World War II age?

Are Chinese flying air craft received from the USSR or are Russians flying them?

What is the quality of Chinese pilots? How good is the training of the Communist Chinese fliers? Would you call their pilots good?

What is the situation in Laos and Cambodia?

Why would we spend a lot of money sending cultural specialists into Laos? (This question was not developed. However, it appeared that "we" refers to the Government as a whole rather than to any specific agency. My interpretation of the question was that Mr. Taber was inquiring about something which he heard some other agency is doing.)

(A discussion followed which touched, more or less, on the entire Southeast Asia area.)

What is the food situation in the USSR? Is there any particular reason for stating that the food situation is bad in the USSR or are these statements being made by the Russians a part of an overall propaganda deal?

Is the Agency obtaining accurate information concerning the agricultural situation in the USSR? What about the agricultural situation in the satellite areas?

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Mr. Cannon:

What weight does CIA give to the statement made by Georgi Malenkov at the time he resigned as Premier of USSR concerning the failure to improve agricultural production?

Mr. Wigglesworth:

Are there any indications of intent as to possible military aggression in Indo-China?

Why is such a large reserve necessary?

(Mr. Wigglesworth observed that during the past three years no substantial amounts of the reserve had been actually used.) Could the reserve be substantially reduced without danger by providing some reserve for immediate emergencies but not a large surplus of funds as has been the case in the last few years?

Why couldn't CIA come back for supplemental funds after the reserve was exhausted?

(Mr. Cannon and Mr. Wigglesworth discussed the reserve situation between themselves. During the course of the discussions, Mr. Cannon observed that CIA needed the authority provided for in the reserve in a manner similar to the authority to fight forest fires which the U.S. Forest Service has. He observed that the Forest Service couldn't delay fighting a forest fire pending action on a request for funds but had to immediately and effectively fight the fire as soon as it was discovered.)

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Where were the increases in Personnel? Were they in Washington or some place in the field?

There is a substantial increase under object class 07, Other Contractual Services? What is the reason for this increase?

The discussion turned again to the building and the Chairman was told that the material was available to brief them on the building problem. The Chairman asked if an estimate had been received for the building. It was indicated that an estimate had not yet been submitted but that as soon as the various problems involved had been worked out, such an estimate would be submitted by the Bureau of the Budget to the Congress. The Chairman then observed that they would listen to our story concerning the need for a building when a formal estimate had been received. He again indicated concern about the newspaper articles on the building and asked what steps had been taken to determine who had released the information appearing in those stories. The hearing was closed with a specific request by the Chairman that when an estimate was under consideration by the Committee, CIA be prepared to discuss what had been found out about the release of this information. During the course of this discussion it was pointed out that CIA had no police or investigative power within the U.S. The Chairman suggested that the matter be taken up with the FBI who had this responsibility.

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C. N. MASON~~SECRET~~